

Message Text

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64

ACTION ARA-20

INFO OCT-01 ISO-00 EUR-25 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 PA-04 PRS-01

USIA-15 DRC-01 /143 W

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R 242025Z JUN 74

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 4063

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 4597

E.O. 11652: N/A

TAGS: EFIN, BR

SUBJECT: HALLES BANKING GROUP TO RE-OPEN ON JULY 8 UNDER BANNER
OF BANCO DO ESTADO DA GUANABARA

REF: (A) BRASILIA 2691; (B) BRASILIA 3805

1. THE BANCO DO ESTADO DA GUANABARA (BEG) HAS CONCLUDED AN AGREEMENT WITH THE GOB TO BUY OUT THE INTERVENED HALLES BANKING GROUP (SEE REFTELS) AND WILL RE-OPEN THE GROUP'S AGENCIES ON JULY 8 UNDER THE BANNER OF BEG. DETAILS OF THE PURCHASE WERE NOT RPT NOT MADE PUBLIC. IT IS UNLIKELY, HOWEVER, THAT THE BEG, WHOSE PRESIDENT IS FORMER FINANCE MINISTER OTAVIO GOUVEIA DE BULHOES, PAID ANYWHERE NEAR THE \$100 MILLION WHICH THE PORTUGUESE BANKING GROUP OF CHAMPALIMAUD HAD REPORTEDLY OFFERED FOR HALLES BEFORE THE NEW PORTUGUESE GOVERNMENT REFUSED IT PERMISSION TO TAKE THE FUNDS OUT OF THE COUNTRY TO MAKE THE PURCHASE. UNDER THE AGREEMENT, BEG WILL REPORTEDLY MEET ALL THE OBLIGATIONS OF THE HALLES GROUP.

2. THE CENTRAL BANK INTERVENTOR HAS NOT RPT NOT YET
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PREPARED HIS FINAL REPORT ON THE ACTIVITIES OF HALLES WHICH

LED TO THE INTERVENTION. THE ONLY THING THAT HAS SURFACED
SO FAR HAS BEEN THE FACT THAT THE BALANCE SHEET OF THE GROUP
PREPARED AT THE END OF 1973 HAD OVERVALUED ASSETS OR UNDER-
ESTIMATED LIABILITIES BY CR\$334 MILLION (\$50 MILLION).
CRIMMINS

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Message Attributes

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